



www.dawoodhercules.com

April 4, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

NOTICE OF ANNUAL GENERAL MEETING

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on Friday, April 26, 2024 at 10:30 AM at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, opp. Liaquat National Hospital, Karachi-74800.

Kindly acknowledge receipt of the same

Sincerely,

Imran Chagani
Company Secretary

Dawood Hercules Corporation Limited

Dawood Centre, M.T Khan Road, Karachi-75530, Pakistan | Tel: +92 21 35686001 | Fax: +92 21 35644147 | info@dawoodhercules.com

BOOK POST



Notice of 56th Annual General Meeting
Dawood Hercules Corporation Limited

NOTICE OF 56th ANNUAL GENERAL MEETING

Notice is hereby given that 56th Annual General Meeting of Dawood Hercules Corporation Limited (the "Company") will be held on Friday, April 26, 2024, at 10:30 AM at the Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, opp Liaquat National Hospital, Karachi - 74800 and via video link facility to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Unconsolidated and Consolidated Financial Statements of the Company for the year ended December 31, 2023, together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman.
2. To appoint Auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the re-appointment of A. F. Ferguson & Co. (Chartered Accountants), as auditors of the Company.

SPECIAL BUSINESS:

3. To consider and, if deemed appropriate, to pass, with or without modifications, following Special Resolutions, to provide short term funded and unfunded financing facilities to the associated companies:

"RESOLVED that approval of the members of Dawood Hercules Corporation Limited (the "Company") be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017 and the Company be and is hereby authorized to provide short term funded and unfunded financial assistance to the following associated companies up to the amount stated below in respect of each company for a period of one year starting from the date the funds are provided, at markup rate which shall not be less than the 3 month Karachi Inter Bank Offered Rate (3M KIBOR) + 100bps for the relevant period or the borrowing cost of the Company, whichever is higher, and as per terms and conditions as disclosed to the members.

Name of the Associated Company	Amount
Dawood Lawrencepur Limited	PKR 5 bn
Cyan Limited	PKR 2 bn
Engro Corporation Limited	PKR 6 bn
Engro Fertilizers Limited	PKR 2 bn
Engro Polymer & Chemicals Limited	PKR 2 bn
Engro Energy Limited	PKR 2 bn
Engro EXIMP Agriproducts (Private) Limited	PKR 1 bn

FURTHER RESOLVED that approval be and is hereby granted for annual renewal of the above short term funded and unfunded assistance for further periods of four (4) years if required by the associated companies on the same terms and conditions.

FURTHER RESOLVED that this Special Resolution shall be valid for a period of Five (5) years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions”.

4. To consider and if deemed fit, to approve circulation of annual audited accounts, auditors and other reports (“Annual Audited Financial Statements”) to the Company’s members through QR enabled code and weblink as part of the notice of Annual General Meeting instead of transmitting the same in the form of CD/DVD/USB in accordance with and pursuant to S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan dated March 21, 2023 by passing the following Ordinary Resolution(s) with or without modification(s):

“**RESOLVED** that circulation/transmission of Annual Audited Financial Statements to the shareholders through QR enabled code and weblink instead of CD/DVD/USB as notified by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389 (I)/2023 dated March 21, 2023, or any other transmission medium allowed by the regulators, be and is hereby approved.

FURTHER RESOLVED that Chief Executive Officer and/or Company Secretary be and are hereby singly authorized to take and do all necessary actions, deeds and things which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution.”

Statements of Material Facts pursuant to Section 134(3) of the Companies Act, 2017, setting forth all the material facts, concerning the above Special Business, to be transacted at the Annual General Meeting are annexed to the notice of meeting sent to the members.

By Order of the Board

Imran Chagani
Company Secretary

Karachi
Dated: March 11, 2024

Notes:

1. **Video Conference Facility for attending Annual General Meeting (AGM):**

As per the directive issued by Securities and Exchange Commission of Pakistan ("SECP"), the Company has made arrangements of video conference facility to ensure that members can also participate in the AGM via video link.

The members and their proxies who intends to attend the AGM through video-link must register their particulars by sending an email at company.secretary@dawoodhercules.com. The members registering to connect through video-link facility are required to mention their name, folio number and number of shares held in their name in the email with subject 'Registration for DH Corp AGM' along with valid copy of their CNIC/Passport. Video link and login credentials will be shared with the members whose emails, containing all the required particulars, are received at the given email address at least 24 (twenty-four) hours before the time of the AGM.

2. **Closure of Members Register & Share Transfer Books:**

The Members' Register and Share Transfer Books of the Company will remain closed from April 20, 2024, to April 26, 2024 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, (PABX No 021-34380101-5) and email info.shares@famcosrs.com.pk, by close of business on April 19, 2024, will be treated in time for entitlement of members to attend, speak and vote at the AGM.

3. **Placement of Financial Statements on Website of the Company:**

The Company has placed the Annual Report which includes inter alia notice of meeting, Audited Annual Financial Statements together with Chairman's Review Report, Directors' and Auditors' Report thereon for the year ended December 31, 2023, on its website: www.dawoodhercules.com

4. **Participation in the AGM:**

A member, entitled to attend the AGM, is entitled to appoint another person as his/her proxy to attend the AGM on his/her behalf. A proxy need not be a member of the Company. A corporate entity, being member, may appoint its representative to attend the meeting through resolution of its Board of Directors. Proxy Forms in English and Urdu languages are attached with the notice circulated to the shareholders.

In case of appointment of proxy by a corporate entity, a resolution of the board of directors / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form.

The proxy holders are required to produce their original valid CNICs or original passports at the time of the meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least 48 (forty-eight) hours before the time of the meeting.

CDC account holders will further have to follow the under mentioned guidelines as laid down by the SECP.

A. For Attending the Meeting

- a. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid CNIC or the original passport at the above-mentioned email address at least 48 (forty-eight) hours before the AGM.
- b. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be shared on the above-mentioned email address at least 48 (forty-eight) hours before the AGM (unless it has been provided earlier).

B. For Appointing Proxies

- a. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.
- b. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- c. The proxy shall produce original valid CNIC or original passport at the above-mentioned email address at least 48 (forty eight) hours before the meeting.
- d. In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted on the email address mentioned above at least 48 (forty-eight) hours before the meeting (unless it has been provided earlier) along with proxy form to the Company.
- e. Proxy form will be witnessed by 2 (two) persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

PROCEDURE FOR ELECTRONIC VOTING FACILITY AND VOTING THROUGH POSTAL BALLOT ON SPECIAL BUSINESS

5. Polling on Special Business:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification S.R.O 2192/ (I)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan (“SECP”), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Dawood Hercules Corporation Limited (the “Company”) will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on Friday, April 26, 2024, at 10:30 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

6. Procedure for E-Voting:

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on April 19, 2024.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of FAMCO Share Registration Services (Private) Limited (being the e-voting service provider).
- c) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d) E-Voting lines will start from April 20, 2024, 09:00 AM and shall close on April 25, 2024, at 5:00 PM. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

7. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company’s registered address, Dawood Centre M. T. Khan Road Karachi, or email at company.secretary@dawoodhercules.com one day before the Annual General Meeting on April 25, 2024, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

For the convenience of the members, ballot paper is annexed to this notice and the same is also available on the Company’s website at www.dawoodhercules.com for download.

8. INFORMATION ABOUT SCRUTINIZER

With reference to the Regulations 4(4) and 11 of the Companies (Postal Ballot) Regulations, 2018, below is the information regarding the Scrutinizer for the purpose of upcoming Annual General Meeting (AGM) of Dawood Hercules Corporation Limited (the Company) to be held on April 26, 2024.

Name of Scrutinizer	Messrs. UHY Hassan Naeem & Co, Chartered Accountants
Qualification and Experience	<p>The firm has grown over the last decade as a leading multi-disciplinary organization offering auditing taxation, business advisory, information technology, human resources and corporate services to public and private sector organizations in the country.</p> <p>UHY Hassan Naeem & Co. is a member of UHY International, one of the world's leading accounting and business advisory network, with offices in over 330 business centers in 90 countries across the globe.</p> <p>The firm holds a satisfactory Quality Control Review (QCR) status from the Institute of Chartered Accountants of Pakistan (ICAP) which demonstrates the quality standards maintained by the firm. It is registered on the Panel of State Bank of Pakistan (SBP) and is on the panel of USAID.</p>
Purpose of appointment	<p>The Company is required to appoint a scrutinizer for the purpose of voting in the AGM to transact business that pertains to investment in associated companies as mentioned in Section 199 of the Companies Act, 2017.</p> <p>Therefore, scrutinizer has been appointed to observe that satisfactory procedures of the voting process including adequate precautionary measures are ensured and reported as mentioned under regulation 11A.</p>

STATEMENTS OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

These Statements set out the material facts concerning the following Special Businesses to be transacted at the Annual General Meeting (AGM) of Shareholders of Dawood Hercules Corporation Limited to be held on Friday, April 26, 2024.

Item 3 of the Agenda:

Investment in Associated Companies

The Company is seeking approval of its members by passing special resolutions proposed in the notice of AGM to enable it to lend and make available to associated companies, undertaking or subsidiary, short term funded and unfunded financing facilities. This is being proposed only for short term liquidity management, where the Company has surplus liquidity from own or borrowed funds and the associated companies require liquidity.

The Information required under S.R.O. 1240 (I) 2017 for loans and advances is provided below:

(A) Regarding Associated Company or Associated Undertaking:-

(i) Name of associated company or associated undertaking

S.No.	Name of the Associated Company
1.	Dawood Lawrencepur Limited
2.	Cyan Limited
3.	Engro Corporation Limited
4.	Engro Fertilizers Limited
5.	Engro Polymer & Chemicals Limited
6.	Engro Energy Limited
7.	Engro EXIMP Agriproducts (Private) Limited

(ii) Basis of relationship.

Name of the Associated Company	Relationship	Holding: Direct and/or Indirect
Dawood Lawrencepur Limited	Common Directorship	-
Cyan Limited	Common Directorship	-
Engro Corporation Limited	Subsidiary / Common Directorship	39.97%
Engro Fertilizers Limited	Indirect Shareholding	22.49%
Engro Polymer & Chemicals Limited	Indirect Shareholding	22.46%
Engro Energy Limited	Indirect Shareholding	39.97%
Engro EXIMP Agriproducts (Private) Limited	Indirect Shareholding	39.97%

(iii) Earnings per share for the last three years.

Earnings per Share	2023	2022	2021
Dawood Lawrencepur Limited	15.57	(2.84)	(9.08)
Cyan Limited	5.27	(7.13)	3.3
Engro Corporation Limited	32.26	36.79	32.14
Engro Fertilizers Limited	19.23	11.54	15.78
Engro Polymer & Chemicals Limited	9.12	12.37	16.32
Engro Energy Limited*	24.26	64.20	152.71
Engro EXIMP Agriproducts (Private) Limited	0.21	(3.59)	0.01

*consolidated

(iv) Break-up value per share, based on latest audited financial statements.

Break-up value per share	December 31, 2023
Dawood Lawrencepur Limited	71.95
Cyan Limited	25
Engro Corporation Limited	133.12
Engro Fertilizers Limited	33.72
Engro Polymer & Chemicals Limited	31.80
Engro Energy Limited*	170.96
Engro EXIMP Agriproducts (Private) Limited	7.42

*consolidated

(v) Financial Position, including main items of Statement of Financial Position and Profit and Loss account on the basis of its latest financial statements; and

BALANCE SHEET	PKR '000
ASSETS	
Non-current assets	
Property, plant and equipment	19,164
Long-term investments	2,385,880
Long-term deposits	2,778
Total non-current assets	2,407,822
Current assets	
Stores and spares	892
Stock-in-trade	6,816
Loans to subsidiaries	439,385
Loans and advances	1,086
Deposits, prepayments and other receivables	123,161
Interest accrued	309,127
Investment in subsidiary	-
Short-term investment	1,031,360
Cash and bank balances	42,117
Total current assets	1,953,944
Asset held for sale	100,000
TOTAL ASSETS	4,461,766
EQUITY AND LIABILITIES	
Equity	
Share capital	592,998
Capital reserves	206,666
Unappropriated profits	3,263,428
Total equity	4,063,092
Non-current liability	
Staff retirement benefits	1,727
Current liabilities	
Trade and other payables	92,081
Unclaimed dividend	78,376
Unpaid dividend	-
Provisions	7,360
Taxes payable	219,130
Accrued mark-up	-
Total current liabilities	396,947
TOTAL EQUITY AND LIABILITIES	4,461,766
INCOME STATEMENT	
PKR '000	
Revenue	1,319,479
Profit before tax	1,141,280
Profit for the period	719,493

BALANCE SHEET	PKR '000
ASSETS	
Non-Current Assets	
Property and equipment	2,653
Intangible assets	57
Deferred taxation	19,119
Long term investment	684,939
Long term deposit	2,500
	709,268
Current Assets	
Short term investment	927,905
Trade and other receivables	2,358
Advances and short term prepayments	1,089
Cash and bank balances	4,092
	935,444
TOTAL ASSETS	1,644,712
EQUITY AND LIABILITIES	
Share capital and reserves	
Issued, subscribed and paid-up share capital	615,591
Unappropriated profit	393,720
Reserves	13,088
Remeasurement on post retirement benefits obligation - net of tax	3,129
Surplus on revaluation of investments carried at fair value through other comprehensive income - net of tax	513,536
	1,539,064
Non-current liabilities	
Payable to gratuity fund	118
Current liabilities	
Trade and other payables	10,936
Unclaimed dividend	29,163
Short term borrowings	-
Taxation - net	65,431
	105,530
TOTAL EQUITY AND LIABILITIES	1,644,712
INCOME STATEMENT	
Return on investments	135,078
Profit before tax	375,182
Profit after tax	324,604

BALANCE SHEET	PKR '000
ASSETS	
Non-Current Assets	
Property, plant and equipment	1,697,803
Right-of-use assets	928,849
Intangible assets	132,583
Long term investments	50,835,194
Long term loans and advances	6,274
Deferred taxation	-
	53,600,703
Current Assets	
Loans, advances, deposits and prepayments	9,180,594
Receivables	2,041,529
Short term investments	23,870,113
Cash and bank balances	122,905
	35,215,141
TOTAL ASSETS	88,815,844
EQUITY AND LIABILITIES	
Equity	
Share capital	5,366,265
Reserves	
Share premium	13,068,232
Capital re-purchase reserve account	395,368
General reserve	4,429,240
Remeasurement of post employment benefits	(39,439)
Remeasurement of investments	(1,388,624)
Unappropriated profit	49,606,749
Total equity	71,437,791
Liabilities	
Non-current liabilities	
Lease liabilities	880,901
Deferred taxation	167,431
Retirement and other service benefit obligations	24,566
	1,072,898
Current liabilities	
Trade and other payables	5,494,425
Current portion of lease liabilities	321,813
Taxation - provision less payments	10,255,244
Unclaimed dividends	233,673
	16,305,155
Total liabilities	17,378,053
TOTAL EQUITY AND LIABILITIES	88,815,844
INCOME STATEMENT	
	PKR '000
Revenue	23,818,721
Profit before tax	23,965,068
Profit after tax	17,566,235

Full year ended December 31, 2023, audited accounts of **Engro Fertilizers Limited:**

BALANCE SHEET	PKR '000
ASSETS	
Non-Current Assets	
Property, plant and equipment	78,440,081
Intangible assets	5,184,192
Long-term investments	202,134
Long-term loans, advances and deposits	209,806
	84,036,213
Current Assets	
Stores, spares and loose tools	8,729,523
Stock-in-trade	15,355,755
Trade debts	2,912,495
Other receivables	16,056,950
Loans, advances, deposits and prepayments	3,993,197
Accrued income	116,629
Short-term investments	24,062,828
Cash and bank balances	4,053,684
	75,281,061
Assets classified as held for sale	1,525,396
TOTAL ASSETS	160,842,670
EQUITY AND LIABILITIES	
Equity	
Share capital	13,352,993
Reserves	
Share premium	3,384,904
Remeasurement of post employment benefits	(74,030)
Unappropriated profit	31,238,888
	34,549,762
Total equity	47,902,755
Liabilities	
Non-current liabilities	
Borrowings	3,267,427
Government grant	721,334
Deferred taxation	10,401,710
Deferred liabilities	236,702
Provision for Gas Infrastructure Development Cess (GIDC)	-
	14,627,173
Current liabilities	
Trade and other payables	74,095,829
Accrued interest / mark-up	72,814
Taxation - net	994,344
Current portion of:	
- borrowings	2,715,014
- government grant	235,755
- deferred liabilities	62,546
- provision for GIDC	19,558,031
Short-term borrowings	530,110
Loan from Parent Company	-
Unclaimed dividend	48,299
	98,312,742
Total liabilities	112,939,915
TOTAL EQUITY AND LIABILITIES	160,842,670
INCOME STATEMENT	
	PKR '000
Revenue	161,666,127
Profit before tax	44,984,752
Profit after tax	25,678,418

BALANCE SHEET	PKR '000
ASSETS	
Non-Current Assets	
Property, plant and equipment	53,734,049
Right-of-use asset	1,206,266
Intangible assets	620,205
Investments at amortised cost	-
Long-term loans, advances and deposits	22,637
	55,583,157
Current Assets	
Stores, spares and loose tools	3,311,772
Stock-in-trade	16,985,039
Trade debts	1,629,173
Loans, advances, deposits, prepayments and other receivables	5,527,958
Short-term investments	3,459,929
Cash and bank balances	4,100,782
	35,014,653
TOTAL ASSETS	90,597,810
EQUITY AND LIABILITIES	
Equity	
Ordinary share capital	9,089,233
Preference shares	3,000,000
Share premium	3,874,953
Unappropriated profits	12,627,899
	28,592,085
Non-Current Liabilities	
Long-term borrowings	22,137,566
Government grant	1,298,853
Lease liabilities	1,361,414
Provisions	-
Deferred tax liability - net	2,982,382
	27,780,215
Current liabilities	
Trade and other payables	14,660,566
Service benefit obligations	85,166
Current portion of long-term borrowings	3,070,726
Current portion of Government grant	216,632
Current portion of lease liabilities	1,173,036
Short-term borrowings	7,526,086
Accrued interest/mark-up	526,224
Unclaimed dividend	705,550
Taxes payable	150,921
Provisions	6,110,603
	34,225,510
	62,005,725
TOTAL EQUITY AND LIABILITIES	90,597,810

INCOME STATEMENT	PKR '000
Revenue	81,224,448
Profit before tax	14,097,374
Profit after tax	9,230,660

BALANCE SHEET	PKR '000
ASSETS	
Non-Current Assets	
Property, plant and equipment	155,476,308
Intangible assets	405,424
Long-term investments	6,377,877
Long-term deposits	2,574
Long-term loans, advances and prepayments	18,133
	162,280,316
Current Assets	
Inventories	1,382,424
Stores and spares	498,879
Trade debts	67,234,170
Contract asset	13,817,606
Loans, advances, deposits and prepayments	1,635,328
Other receivables	29,184,893
Mark-up receivable	4,277,128
Short-term investments	1,756,437
Bank balances	49,409,632
	169,196,497
TOTAL ASSETS	331,476,813
EQUITY AND LIABILITIES	
Equity	
Share capital	1,055,810
Share premium	2,740,529
Share issuance cost	(73,115)
Maintenance reserve	652,945
Unappropriated profits	24,639,314
Exchange translation reserve	622,081
Non-controlling interest	29,637,564
Ordinary share capital	29,043,094
Preference share capital	9,702,633
	38,745,727
Total equity	68,383,291
Liabilities	
Non-current liabilities	
Borrowings	110,846,481
Deferred tax liability - net	2,580,932
	113,427,413
Current liabilities	
Creditors, accrued and other liabilities	72,225,273
Unclaimed dividend	20,233
Accrued interest/mark-up	3,830,640
Contract liability	14,427,927
Current portion of borrowings	18,238,537
Taxes payable	1,977,434
Short-term borrowings	27,403,348
Dividend payable	11,542,717
	149,666,109
Total liabilities	263,093,522
TOTAL EQUITY AND LIABILITIES	331,476,813

INCOME STATEMENT	PKR '000
Revenue	122,521,891
Profit before tax	3,678,380
Profit after tax	661,492

Full year ended December 31, 2023, audited accounts of **Engro EXIMP Agriproducts (Private) Limited:**

BALANCE SHEET	PKR '000
ASSETS	
Non-Current Assets	
Property, plant and equipment	2,279,505
Intangible assets	909
Total non-current assets	<u>2,280,414</u>
Current Assets	
Deferred taxation	-
Stock-in-trade	13,550
Stores and spares	63,842
Trade debts	10,462
Advances, deposits and prepayments	77,375
Other receivables	391,280
Taxes recoverable	44,781
Short term investments	504,286
Balances with banks	150,330
	<u>1,255,906</u>
TOTAL ASSETS	<u>3,536,320</u>
EQUITY AND LIABILITIES	
Equity	
Share capital	4,508,609
Share premium	10,483,519
Accumulated loss	(11,717,818)
	<u>3,274,310</u>
Non-current liabilities	
Long-term loans - secured	27,284
Current liabilities	
Current portion of long-term loans	33,844
Short-term finances secured	-
Accrued mark-up	37,957
Trade and other payables	162,925
Contract liabilities	-
	<u>234,726</u>
TOTAL EQUITY AND LIABILITIES	<u>3,536,320</u>

INCOME STATEMENT	PKR '000
Revenue	3,931,198
Loss before tax	483,641
Profit after tax	91,736

- (vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,

Not Applicable

(B) General Disclosures

- (i) Maximum amount of investment to be made:

Name	Amount
Dawood Lawrencepur Limited	PKR 5 bn
Cyan Limited	PKR 2 bn
Engro Corporation Limited	PKR 6 bn
Engro Fertilizers Limited	PKR 2 bn
Engro Polymer & Chemicals Limited	PKR 2 bn
Engro Energy Limited	PKR 2 bn
Engro EXIMP Agriproducts (Private) Limited	PKR 1 bn

- (ii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment:

Purpose:

This will enable the Company to lend to its associated companies, undertakings and subsidiary during the times it has access to funds / banking lines and / or the associated companies, undertakings or subsidiary require funds / banking lines for business purposes.

Benefits

The Company will benefits from better returns on surplus liquidity which will enhance profitability and thus shareholders' value.

Period of Investment

One year starting from the date funds are provided.

- (iii) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds; (i) justification for investment through borrowings; (ii) details of collateral, guarantees provided and assets pledged for obtaining such funds; and (iii) cost benefits analysis.

Own funds, however, there may be circumstances where the Company may lend to its associated companies, undertakings or subsidiary by utilizing borrowed funds and (I) it will be justified by earning a profit or markup rate better than the rate payable by the Company and (II) Company secures its

borrowed funds by pledging shares of its investments in listed companies and (III) the Company will ledger the borrowing company mark up or profit rate which will improve the profitability of the Company. The average borrowing cost of the Company currently is 3 Month KIBOR plus 10 basis points.

- (iv) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;

The company will enter into agreement after approval of the shareholders. The significant conditions in addition to others mentioned herein, are as under:

1. Mark up due shall be paid on quarterly basis within thirty (30) days of the end of quarter.
 2. The delayed payment shall be charged an additional sum equal to 24% on unpaid amount for the period for which payment is delayed.
 3. Associated companies shall provide corporate guarantee to secure the loans.
- (v) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;

The Directors of the Company have no personal interest in the matter; however, some directors of the Company are also directors of the associated companies, undertakings and/or subsidiary and own shares in these companies as follows, such directors shall be deemed interested to the extent of their shareholdings and remunerations being drawn by them:

Associated Company	Common Directorship
Dawood Lawrencepur Limited	Mr. Abdul Samad Dawood, Ms. Sabrina Dawood, Mr. Muhammed Amin, Mr. Muhammad Bilal Ahmed
Cyan Limited	Mr. Abdul Samad Dawood, Ms. Sabrina Dawood, Mr. Muhammed Amin, Mr. Isfandiyar Shaheen, Mr. Zamin Zaidi.
Engro Corporation Limited	Mr. Hussain Dawood, Mr. Abdul Samad Dawood, Ms. Sabrina Dawood
Engro Fertilizers Limited	-
Engro Polymer & Chemicals Limited	-
Engro Energy Limited	-
Engro EXIMP Agriproducts (Private) Limited	-

The associated /subsidiary companies do not hold any share of the Company. The directors or sponsors of associated /subsidiary companies hold the following shares in the Company:

- (vi) In case of any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and

Engro Corporation Limited	Investment Value PKR 23.3 bn	No impairment of write-offs has been recorded
---------------------------	---------------------------------	--

The company has not made any investment in other associated companies/subsidiaries

- (vii) Any other important details necessary for the members to understand the transactions.

None.

(C) In case of Investments in the form of loans, advances, and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made.

- (i) Category-wise amount of investment

For the short-term financing facilities, following are the associated company wise limits.

Name	Amount
Dawood Lawrencepur Limited	PKR 5 bn
Cyan Limited	PKR 2 bn
Engro Corporation Limited	PKR 6 bn
Engro Fertilizers Limited	PKR 2 bn
Engro Polymer & Chemicals Limited	PKR 2 bn
Engro Energy Limited	PKR 2 bn
Engro EXIMP Agriproducts (Private) Limited	PKR 1 bn

- (ii) Average borrowing cost of the investing company, the KIBOR for the relevant period.

The average borrowings of the Company as at December 31, 2023 was 3 month KIBOR plus 10bps. The 3 month KIBOR was 21.74% on March 22, 2024.

- (iii) Rate of interest, markup, profit, fees or commission etc. to be charged by investing company.

The Company shall charge minimum of the 3-month Karachi Inter Bank Offered Rate (3M KIBOR) + 100bps or the borrowing cost of the Company, whichever is higher. The mark up shall be paid within 30 days of the end of every quarter.

- (iv) Particulars of collateral or security to be obtained in relation to the proposed investment.

Normally no security is to be obtained since the Company has full oversight and is very well versed with the operations and plans of the borrowing company. The Company and its associated companies, undertakings and subsidiary are confident that any financing arrangement will be repaid. However, Corporate Guarantees shall be obtained to secure the loans.

- (v) If the investment carries conversion features i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and

No Conversion features.

- (vi) Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.

Facility is granted for a period of one year, renewable for four further periods of one year each. The terms and conditions are mentioned herein above.

Item 4 of the Agenda:

The Company is seeking approval of its members by passing ordinary resolution proposed herein to enable it to transmit its Annual Audited Financial Statements through QR Enabled Code and Weblink.

Pursuant to the authorization of the Securities and Exchange Commission of Pakistan vide its SRO 389 (1)/2023 dated March 21, 2023, regarding the circulation of information such as annual audited financial statements, the Company proposes to utilize QR codes and weblink instead of traditional methods like CDs, DVDs, and USBs.

However, to accommodate the shareholders' preferences, a standard request form is available on the Company's website for those who wish to receive physical copies of the annual audited financial statements and related documents at their registered addresses.

Subsequently, the notice of the annual general meeting shall be dispatched to the members as per requirements of the Companies Act 2017, to their registered addresses, containing the QR code and the weblink address to view and download the Annual Audited Financial Statements

STATEMENT UNDER REGULATION 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017.

SPECIAL RESOLUTION PASSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON NOVEMBER 21, 2022:

In the Extraordinary General Meeting of the Company held on November 21, 2022, a special resolution was passed to make long term investments in the shares of following associated companies.

	Total Investment Approved
• Engro Fertilizers Limited	- PKR 2 billion
• Engro Polymer & Chemicals Limited	- PKR 2 billion
• Engro Powergen Qadirpur Limited	- PKR 350 million
• Frieslandcampina Engro Pakistan Limited	- PKR 1 billion

As of December 31, 2023, the Company has no investment in the shares of any of the above companies.

There is no deviation from the approved timeline of investment as the special resolution dated November 21, 2022, is valid for five (5) years.

Attention of the Shareholder is drawn towards the following:

1. Computerized National Identity Card (CNIC) / National Tax Number (NTN):

All those individual members holding physical shares who have not yet provided their CNIC No., are once again reminded to immediately submit the copy of their CNIC to Company's Share Registrar, FAMCO share Registration Services (Private) Limited, 8-F, near Hotel Faran, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. Members while sending CNIC must quote their respective folio numbers. The corporate entities having physical shares should send a copy of their NTN certificates to Company's Share Registrar. The corporate members while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

2. Payment of Cash Dividend Electronically

Under second proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders.

Accordingly, the shareholders of the Company are requested to provide the following information for payment of cash dividend to be declared by the Company through electronic mode directly in the bank account designated by you.

Name of Shareholder	
Folio Number	
CNIC Number	
Title of Bank Account	
Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	
Signature of Member	

Note: Signature must match specimen signature registered with the Company

The shareholders are also required to intimate the changes, if any in the above-mentioned information to the Company and the Share Registrar as soon as these occur. In case of shares held electronically, then the above electronic credit mandate form must be submitted directly to shareholder(s)' broker/participant/CDC account services.

3. Withholding Tax on Dividend

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

4. Zakat Declaration

The members are requested to submit their Zakat Declarations to the Share Registrar in order to claim exemption from deduction of Zakat.

5. Unclaimed Dividend

Shareholders, who by any reason, could not claim their dividends/shares, if any, are advised to contact our Share Registrar, FAMCO Share Registration Services (Private) Limited, 8-F, near Hotel Faran, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, to collect / enquire about their unclaimed dividend/shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

6. Transmission of Annual Accounts, Notices of Meetings, Auditor's Report and Directors' Report through CD, DVD or USB:

The shareholders of the Company have accorded approval in general meeting for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies.

Please note that from this year we are sending Annual Reports / Notice of AGM through emails to those shareholders whose email addresses are available with the Company and rest shareholders will be dispatched Annual Report on CDs and printed Notice of AGM and Proxy form through post.

The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.dawoodhercules.com.

7. Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e., May 31, 2017.

Furthermore, Securities and Exchange Commission of Pakistan vide its letter CSD/ED/Misc/2016-639-640 dated March 26, 2021, has directed all listed companies to pursue such shareholders who are still holding shares in physical form to convert the same into book entry form. In this regard, shareholder having physical shareholding are requested to open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited.



Ballot Paper for Voting Through Post

DAWOOD HERCULES CORPORATION LIMITED

Registered Office: Dawood Centre, M.T. Khan Road, Karachi-75530

Contact: (+92-21) 35686001, Website: <https://www.dawoodhercules.com/>

For poll to be held at the Annual General Meeting of Dawood Hercules Corporation Limited on Friday, 26 April 2024, at 10:30 am. at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, opp Liaquat National Hospital, Karachi as well as through video-link facility to transact the following businesses:

Contact Details of Chairman, where ballot paper may be sent:

Business Address: The Chairman Dawood Hercules Corporation Limited, Dawood Centre, M.T. Khan Road, Karachi-75530.

Attention: Company Secretary, **Designated Email Address:** company.secretary@dawoodhercules.com

Name of shareholder/joint shareholders	
Registered address of shareholder(s)	
Number of shares held	
Folio number / CDC Account	
CNIC No./Passport No (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation and Federal Government.)	

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.
2. In case both the boxes are marked as (✓), your ballot paper shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the below resolutions through ballot by conveying my/our assent or dissent to the resolution(s) by placing tick (✓) mark in the appropriate box below.

S. No.	Nature and description of Resolutions	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	<p>"RESOLVED that approval of the members of Dawood Hercules Corporation Limited (the "Company") be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017 and the Company be and is hereby authorized to provide short term funded and unfunded financial assistance to the following associated companies up to the amount stated below in respect of each company for a period of one year starting from the date the funds are provided, at markup rate which shall not be less than the 3 month Karachi Inter Bank Offered Rate (3M KIBOR) + 100bps for the relevant period or the borrowing cost of the Company, whichever is higher, and as per terms and conditions of agreement and as disclosed to the members</p> <p>FURTHER RESOLVED that approval be and is hereby granted for annual renewal of the above short term funded and unfunded assistance for further periods of four (4) years if required by the associated companies on the same terms and conditions.</p> <p>FURTHER RESOLVED that this Special Resolution shall be valid for a period of Five (5) years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions"</p>		
2	<p>"RESOLVED that circulation/ transmission of Annual Audited Financial Statements to the shareholders through QR enabled code and weblink as notified by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389 (I)/2023 dated March 21, 2023, or any other transmission medium allowed by the regulators, be and is hereby approved.</p> <p>FURTHER RESOLVED that Chief Executive Officer and/or Company Secretary be and are hereby singly authorized to take and do all necessary actions, deeds and things which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution."</p>		

Signature of shareholder(s)

Place

Date

NOTES:

1. Duly filled and signed original postal ballot should be sent to the Chairman, at above-mentioned business or email address.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before April 25, 2024 during working hours (i.e. by 5:00 p.m.). Any postal ballot received after this date and time, will not be considered for voting.
4. Signature on postal ballot should match the signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected.
6. In case of representative of body corporate and corporation, postal ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted alongwith the Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Counsel General of Pakistan having jurisdiction over the member.
7. M/s. UHY Hassan Naeem & Co. Chartered Accountants, the External / statutory auditor of the Company, has been appointed as Scrutinizer, who have the necessary knowledge and experience to independently scrutinize the voting process.
8. Ballot Paper has also been placed on the website of the Company www.dawoodhercules.com Members may download the Ballot Paper from the website or use Original/Photocopy as published in Newspapers.



Dawood Hercules

Proxy Form

I/We _____
of _____ being a member of Dawood Hercules Corporation Limited and
holder of _____ Ordinary Shares, as per:

Share Register Folio No. _____ and/or _____
CDC Participant IDNo. _____ Sub A/c No. _____
hereby appoint _____ of _____ as my/our proxy to attend,
speak, and vote for me/us and on my/our behalf, at the Annual General Meeting (AGM) of the
Company to be held on Friday, April 26, 2024 at 10:30 AM at the Karachi School of Business
and Leadership (KSBL) situated at National Stadium Road, opp Liaquat National Hospital,
Karachi - 74800 and via video link facility, and at any adjournment thereof.

Signed this _____ day of _____ 2024.

WITNESSES -1:

Signature: _____
Name: _____
Address: _____
CNIC No. or _____
Passport No. _____

Signature on
Revenue Stamps
of Rupees Five

WITNESSES -2:

Signature: _____
Name: _____
Address: _____
CNIC No. or _____
Passport No. _____

Signature should agree with
the specimen signature with
the Company.

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty-eight (48) hours before AGM.
2. CDC shareholders and their proxies are requested to attach and attested photocopy of their valid Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.

AFFIX
CORRECT
POSTAGE

Dawood Hercules Corporation Limited
Dawood Centre, M.T. Khan Road, Karachi - 75530
Tel: +92-21-35686001 Fax: +92-21-35644147
www.dawoodhercules.com



Dawood Hercules

نمائندگی کا فارم

میں/ہم _____ ساکن _____

بحیثیت ممبر داؤد ہرکولیس کارپوریشن لمیٹڈ کے رکن و حامل _____ عام حصص برطانیہ شیئرز جنس ڈیفونیو نمبر _____

اور ای سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____ محترم احتراماً _____

ساکن _____ کو بروز جمعہ مورخہ ۲۶ اپریل ۲۰۲۳ بوقت ۱۰:۳۰ بجے صبح برہم مقام کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL)

نیشنل اسٹیڈیم روڈ، بالمقابل لیاقت نیشنل ہسپتال، کراچی-74800 میں ویڈیولنک کی سہولت کے ساتھ منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرنا/ کرتی ہوں۔

دستخط _____ بروز _____ ۲۰۲۳

گواہ (۱)

دستخط گواہ: _____

نام: _____

پتہ: _____

قومی شناختی کارڈ نمبر یا: _____

پاسپورٹ نمبر: _____

مطلوبہ (پانچ روپے کا)
ریونیٹنگ چپس کریں اور دستخط کریں

دستخط کپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔

گواہ (۲)

دستخط گواہ: _____

نام: _____

پتہ: _____

قومی شناختی کارڈ نمبر یا: _____

پاسپورٹ نمبر: _____

نوٹ:

- تمام نامزدگیاں اسی صورت میں موثر ہوں گی جب پر کسی فارم بنام کپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے ۳۸ گھنٹے قبل موصول ہوں۔
- سی ڈی سی شیئرز ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ، نمائندگی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔
- تمام پر کسی ہولڈرز یا اپنی شناخت کے لئے اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ ضرور پیش کریں۔

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